

Financial Statements

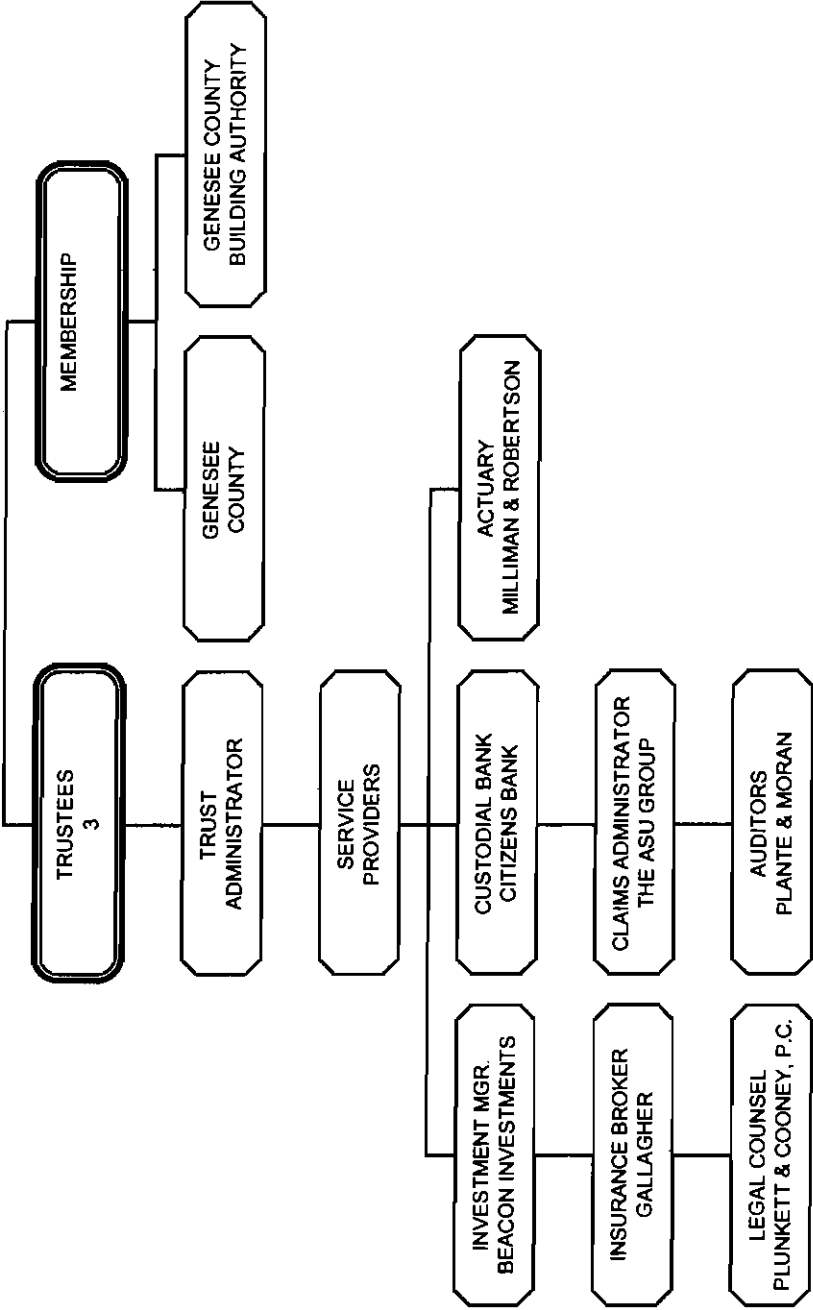
**Genesee County
Self-Insured Trust Pool
(A Fund of Genesee County, Michigan)**

September 30, 2006 and 2005

Table of Contents

	<u>Page</u>
Organizational Chart	A
Transmittal Letter.....	B-1 - B-3
Independent Auditors' Report.....	1
Basic Financial Statements:	
Balance Sheets	2
Statements of Revenues, Expenses, and Changes in Net Assets	3
Statements of Cash Flows.....	4
Notes to Financial Statements	5-9
Required Supplementary Information:	
Ten-Year Claims Development Information	10-11
Reconciliation of Claims Liabilities by Type of Contract	12
Other Supplementary Information:	
Schedule of Principal Assets	13-14

GENESEE COUNTY SELF-INSURED TRUST POOL



Genesee County Self-Insured Trust Pool

December 31, 2006

The annual financial report of the Genesee County Self-Insured Trust Pool (Pool) for the fiscal period ended September 30, 2006 is submitted herein. This report was prepared by the Trustees of the Pool. Responsibility for both the accuracy of the presented data and the completeness of the presented data, including all disclosures rests with the Pool. We believe the data as presented to be accurate in all material aspects; that it is presented in a manner designated to fairly set forth the financial position and results of operations of the Pool as measured by the financial activity of the fund and that all disclosures necessary to enable the members to gain an understanding of the Pool's financial activity has been included.

Financial and Actuary Reports

The accrual basis, under which revenues are recorded when earned and expenses are recorded when the related liabilities are incurred, is used to account for the Pool funds within the auditor's financial report.

Notes to Financial Statements

The notes provided in the financial section of this report are considered an integral, essential part of adequate disclosure and fair presentation of this financial report. The notes express significant insight into the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this report.

Background and History

The Pool was formed pursuant to the Michigan Intergovernmental Cooperation Act, P.A. 138 of 1982, as amended. The Pool became fully operational in January 1996. The purpose of the Pool is to provide general liability (includes law enforcement liability and incidental medical malpractice), public officials errors and omission, auto liability and property insurance coverages, as well as claims administration, risk management, legal and loss control services. The Pool currently only provides coverages for general liability and public officials' errors and omissions, with the accompanying service for claims, legal and loss control administration.

The Pool was initially formed with and still has two members, consisting of the County of Genesee and the Genesee County Building Authority.

Management and Control

Board of Trustees

The Pool is governed by a board of trustees. Any member joins in electing the trustees as its governing authority. The trustees govern and administer the Pool in accordance with the Intergovernmental Contract Between Municipalities Act, the Pool's intergovernmental contract, and the Genesee County Self-Funded Property/Casualty Program Trust Agreement (Trust Agreement). On matters involving governance of the Pool, the intergovernmental contract will control over the trust agreement to the extent of any inconsistency between them.

In accordance with the trust agreement, the trustees shall be the following: The Genesee County Controller (Building Authority Representative), the County Corporation Counsel and the County Risk Manager (County Representatives). A trustee shall cease to be such upon ceasing to hold the above referenced positions. The County Controller shall serve as Chairperson of the Board and the Risk Manager as Administrator of the Pool.

Members of the Board of Trustees duly elected and serving as of September 30, 2006 were:

<u>Name</u>	<u>County Title</u>
George Martini	Controller
Ward Chapman	Corporation Counsel
P. Andrea Smutz	Risk Manager

Members

One or more municipal corporations not initially a party to the intergovernmental contract may become a member or members of the Pool. Members shall be admitted provided that such municipal corporation is a component of county government within Genesee County, upon approval by the Genesee County Board of Commissioners, and upon adoption of the intergovernmental contract. The insurance coverages for, and the required contributions from, any such additional member will be provided in an additional appendix to the intergovernmental contract.

Territory and Plan of Operation

The Pool insured its members for general liability, law enforcement, incidental medical malpractice, and public officials' errors and omissions coverages.

The Pool has no employees. Most administrative, accounting, and financial reporting services are performed by employees of Genesee County.

The Pool has contracted with ASU Risk Management Services for claims administration services.

The following is a summary of the growth of the Pool from October 1, 2001 to September 30, 2006.

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Members' Surplus</u>	<u>Members Contributions</u>
2002	6,076,650	1,354,552	4,722,098*	552,308
2003	7,181,605	1,656,591	5,525,014	728,886
2004	6,976,831	1,091,521	5,885,310	784,180
2005	7,230,827	1,306,901	5,923,926	766,381
2006	7,263,585	2,130,578	5,133,007	827,621

Per a review by the State and its actuarial team, the Trustees have elected to use the undiscounted reserves for unpaid loss and loss adjustment expenses which reflect the actual projection and a better than expected loss history.

- * Decline in market values with increases in excess insurance more than offset the reduction in claims and the reduction in IBNR.

Insurance

The Pool is permissively self-insured (SIR) and maintains a self-insured retention of \$500,000 for each occurrence. The Pool purchases specific excess insurance of \$5,000,000 aggregate excess insurance for coverages in excess of the SIR. The Primary layer of \$5,000,000 was purchased from International Insurance Company of Hannover (SIRPRO).

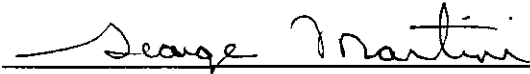
The Pool has purchased an additional \$15,000,000 in excess of the Primary layer. \$5,000,000 excess of the Primary and SIR was purchased from Westchester Surplus Lines and an additional \$10,000,000 excess of \$10,000,000 and the SIR was purchased from Lexington Insurance Company. The Pool has a total limit of \$20,000,000 while retaining \$500,000 as the self-insured retention for the pool.

Investments

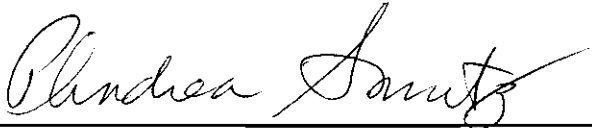
Investments are recorded at fair value. Custodian for the Pool is Citizens Bank, Flint, Michigan, with Beacon Investments, Ann Arbor, as investment advisors.

This report is submitted to the Pool members, acknowledging the support of the Genesee County Controller's Office accounting staff.

Submitted by:



George Martini, Chairperson



P. Andrea Smutz, Administrator/Risk Manager

Independent Auditors' Report

To the Board of Trustees
Genesee County Self-Insured Trust Pool
Flint, Michigan

We have audited the basic financial statements of the Genesee County, Michigan for the years ended September 30, 2006 and 2005, and have issued our reports thereon dated December 31, 2006 and December 30, 2005, respectively, which expressed an unqualified opinion on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. Those basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee County's basic financial statements. The accompanying financial statements of the Genesee County Self-Insured Trust Pool (a fund of Genesee County) are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information presented has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

December 31, 2006

Genesee County Self-Insured Trust Pool
Balance Sheets
September 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Assets		
Cash and cash equivalents	\$ 113,521	\$ 51,333
Investments	6,957,738	6,967,240
Accounts receivable	3,800	21,772
Accrued interest receivable	34,305	34,815
Due from Genesee County funds	-	8,489
Prepaid expenses	154,221	147,178
Total assets	<u>\$ 7,263,585</u>	<u>\$ 7,230,827</u>
Liabilities and net assets		
Liabilities:		
Other payables	\$ 3,946	\$ 9,860
Accrued payroll	2,259	2,193
Due to Genesee County Non-Pool Trust Fund	737,967	468,333
Reserve for claims	1,386,406	826,515
Total liabilities	2,130,578	1,306,901
Net Assets		
Unrestricted	5,133,007	5,923,926
Total liabilities and retained earnings	<u>\$ 7,263,585</u>	<u>\$ 7,230,827</u>

See notes to financial statements.

Genesee County Self-Insured Trust Pool
Statements of Revenues, Expenses, and
Changes in Net Assets
For the Years Ended September 30, 2006 and 2005

	2006	2005
Revenues and other income:		
Member contributions	\$ 827,621	\$ 766,381
Investment earnings	271,678	445,728
	<hr/>	<hr/>
Total revenues and other income	1,099,299	1,212,109
	<hr/>	<hr/>
Claims:		
Paid	348,928	115,160
Increase in reserves for claims	559,891	124,708
	<hr/>	<hr/>
Total claims	908,819	239,868
	<hr/>	<hr/>
Excess of revenue over claims	190,480	972,241
	<hr/>	<hr/>
Expenses:		
Administrative Expenses:		
Wages	37,844	36,632
Fringe Benefits	13,741	14,089
Other service charges	124,225	70,266
Reinsurance fees	802,074	804,263
Professional fees and other	2,440	8,375
Loss control/safety	1,075	-
	<hr/>	<hr/>
Total expenses	981,399	933,625
	<hr/>	<hr/>
Excess of revenue over (under) expenses and claims	(790,919)	38,616
	<hr/>	<hr/>
Net assets at beginning of year	5,923,926	5,885,310
	<hr/>	<hr/>
Net assets at end of year	<u>\$ 5,133,007</u>	<u>\$ 5,923,926</u>

See notes to financial statements.

Genesee County Self-Insured Trust Pool
Statements of Cash Flows
For the Years Ended September 30, 2006 and 2005

	2006	2005
Cash flows from operating activities:		
Cash received from members	\$ 845,593	\$ 701,305
Cash paid for claims	(348,928)	(115,160)
Cash payments to suppliers and other	(664,138)	(749,663)
Cash payments to employees for services	(51,519)	(50,443)
	<u>(218,992)</u>	<u>(213,961)</u>
Net cash used in operating activities		
Cash flows from investing activities:		
Purchase of investment securities	(3,656,321)	(5,573,652)
Proceeds from the sale of investment securities	3,747,055	5,624,424
Interest and dividends received	190,446	196,959
	<u>281,180</u>	<u>247,731</u>
Net cash provided by investing activities		
Net increase in cash and cash equivalents	62,188	33,770
Cash and cash equivalents at beginning of year	<u>51,333</u>	<u>17,563</u>
Cash and cash equivalents at end of year	<u><u>\$ 113,521</u></u>	<u><u>\$ 51,333</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating gain (loss)	\$ (790,919)	\$ 38,616
Adjustments to reconcile excess of revenues over expenses and claims before transfers to net cash used in operating activities:		
Realized and Unrealized (gains) losses on investments	(81,232)	(248,769)
Change in IBNR	559,891	124,708
Interest and dividends received	(190,446)	(196,959)
Change in assets and liabilities:		
Due to other funds	269,634	88,018
Accounts and accrued interest receivable	26,971	(65,076)
Prepaid expenses	(7,043)	42,847
Accrued expenses	(5,848)	2,654
	<u>(218,992)</u>	<u>(213,961)</u>
Net cash used in operating activities		

Non-cash transactions:

The unrealized gains (losses) for 2006 and 2005 were \$(29,963) and \$283,970, respectively.

See notes to financial statements.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2006 and 2005

Note 1. Description of operations, reporting entity, and fund types

The Genesee County Self-Insured Trust Pool (hereafter called the "Pool") was created to initiate and oversee loss prevention and loss control activities to reduce losses and to account for all applicable liability claims for the County's participating member units (currently, Genesee County and the Genesee County Building Authority). The Pool was created in accordance with State law, Michigan Intergovernmental Cooperation Act, P.A. 138 of 1982, as amended.

These financial statements present only the fund of the Genesee County Self-Insured Trust Pool (the Pool) (a fund of Genesee County) and do not purport to, and do not, present fairly the financial position of Genesee County, Michigan as of September 30, 2006 and the changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States. Industry standards require the County to include the financial activities of the Pool in the County's Annual Financial Report. The Annual Financial Report of Genesee County is available for public inspection at the Governmental Center. The Pool was created by Genesee County through the establishment of a Trust in January 1996.

Note 2. Summary of significant accounting policies

The accounting policies of The Pool conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

A. Basis of presentation:

The financial activities of the Genesee County Self-Insured Trust Pool are accounted for in an enterprise fund. The Pool accounts for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income, is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. Measurement focus:

The accounting and financial reporting treatment applied to the Pool is determined by its measurement focus. The Pool is a proprietary fund and is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The operating statement presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2006 and 2005

Note 2. Summary of significant accounting policies - (continued)

C. Basis of accounting:

The accrual basis of accounting is used by the Pool. The accrual basis provides that revenues be recorded when earned and expenses are recorded when the related liability is incurred. The Pool applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

D. Cash and cash equivalents:

For purposes of the cash flows statement, all highly liquid short-term investments with a maturity of less than 90 days at time of purchase are classified as cash and cash equivalents.

E. Accounts receivable:

Accounts receivable balances are comprised mainly of amounts due from vendors. Management follows the allowance method in valuing accounts receivable. No allowance was necessary for the years ended September 30, 2006 and 2005.

F. Investments:

Investments are stated at fair value.

G. Prepaid expenses:

Prepaid expenses are payments made to vendors for services that will benefit future periods.

H. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Cash and investments

Investments:

State statutes as they relate to group Self-Insurance Pools (Public Act 218 of 1956, as amended) authorizes the Pool to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, commercial paper, common stocks, real estate, repurchase obligations of the U.S. Government and U.S. agencies, banker's acceptances of U.S. banks, common stocks, and mutual funds comprised of the above authorized investments. The Pool has adopted the above as its investment policy and has authorized the following depositories: Citizens Bank and Beacon Investment Company.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2006 and 2005

Note 3. Cash and investments - (continued)

Investments: - (continued)

The Pool's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial credit risk of bank deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Pool's deposits may not be returned to it. The Pool does not have a deposit policy for custodial credit risk. The Pool had \$113,521 and \$51,333 of bank deposits that were a part of Genesee County's pooled cash account at September 30, 2006 and 2005, respectively. The Pool's portion of uninsured and uncollateralized deposits is unknown.

Custodial credit risk of investments:

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pool will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pool does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Pool's name.

<u>Type of Investment</u>	<u>Carrying Value</u>	<u>How Held</u>
At September 30, 2006:		
Corporate bonds	\$2,319,720	Counterparty's trust dept
Corporate stocks	\$4,338,923	Counterparty's trust dept
At September 30, 2005:		
Corporate bonds	\$2,416,095	Counterparty's trust dept
Corporate stocks	\$4,134,297	Counterparty's trust dept

Interest rate risk:

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Pool's investment policy does not restrict investment maturities. As of September 30, 2006, the Pool had the following investments and maturities:

	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1 - 10 Years</u>
Money Market Funds	\$ 299,095	\$299,095	\$ -
Corporate Bonds	2,319,720	572,201	1,747,519
	<u>\$2,618,815</u>	<u>\$871,296</u>	<u>\$1,747,519</u>

As of September 30, 2005, the Pool had the following investments and maturities:

	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1 - 10 Years</u>
Money Market Funds	\$ 416,848	\$416,848	\$ -
Corporate Bonds	2,416,095	400,000	2,016,095
	<u>\$2,832,943</u>	<u>\$816,848</u>	<u>\$2,016,095</u>

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2006 and 2005

Note 3. Cash and investments - (continued)

Credit risk:

State law related to group self insurance pools does not limit the types of debt securities that can be held. As of September 30, 2006 and 2005, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
At September 30, 2006:			
Corporate bonds	\$ 497,705	A1 WTD	S & P
Corporate bonds	\$1,822,015	A WTD	S & P
At September 30, 2005:			
Corporate bonds	\$2,416,263	A-WTD	S & P
Corporate bonds	\$ 400,000	A1+WTD	S & P

Concentration of credit risk:

The Board places no limit on the amount the Pool may invest in any one issuer. The Pool held shares in the SEI Daily Income Treasury Money Market Fund that is 4% of the total investments of the Pool.

Note 4. Risk management

There are various legal actions against the Genesee County Self-Insured Trust Pool. Due to the inconclusive nature of these actions, it is not possible for legal counsel to conclusively determine in the aggregate if the probable outcome will exceed the reasonable estimation of the Pool's accrued claims and incurred but not reported liability.

The Pool is self-funded for general liability, law enforcement, incidental medical malpractice, and public official errors and omissions up to the first \$500,000 for each occurrence. During the years ended September 30, 2006 and 2005, the Pool purchased individual claim excess liability coverage through Genesis Insurance up to \$5,000,000. The Pool has purchased additional \$15,000,000 of excess coverage above the underlying \$5,000,000 excess policy, \$5,000,000 from Hanover Insurance and \$10,000,000 from Westchester Fire. The combined excess coverage is \$20,000,000 above the self insurance retention limit of \$500,000.

The Pool pays its losses through an Imprest fund account established with Citizens Banking Corporation in its own name, which is administered by the ASU Group. The net assets as of September 30, 2006 and 2005 were \$5,133,007 and \$5,923,926, respectively. An actuarial study projected a required reserve of \$525,840 and \$290,906 for claims known and incurred but not reported plus \$860,566 and \$535,609 accrued as a liability for incurred but not reported (IBNR) losses and expenses as of 2006 and 2005, respectively. The actuarial study projected a required reserve of \$1,386,406 and \$826,515 for known claims and incurred as of 2006 and 2005, respectively. The Pool's Risk Manager/Administrator provides various risk control techniques through a continuing education program. There were no reductions in excess insurance coverages or settlements in excess of insurance coverages.

Genesee County Self-Insured Trust Pool
Notes to Financial Statements
September 30, 2006 and 2005

Note 4. Risk management – (continued)

The reserves for claims incurred but not reported is estimated by an independent actuary based upon the Pool's historical experience of claims incurred prior to September 30, 2006. The estimates reflect the actuary's best judgment as to the potential for claims to increase beyond the amounts already paid and reserved on filed claims, including the effects of inflation and other societal and economic factors. It is at least reasonably possible that a material change in the estimate will occur within the near term and thus the actual claims paid may be substantially different than these estimates. Any future adjustments to these amounts will affect the reported results of future periods.

The following represents changes in reserves for claims for the years ended September 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Reserves for claims – beginning of fiscal year	\$ 826,515	\$ 701,807
Incurred claims and claim adjustment expenses:		
Provision of insured events of current year	612,698	412,669
Increase (decrease) in provision for insured events of prior years	<u>296,121</u>	<u>(172,801)</u>
Total incurred claims and claim adjustment expenses	<u>908,819</u>	<u>239,868</u>
Payments:		
Claims and claim adjustment expenses attributable to events of current fiscal year	(34,239)	(12,404)
Claims and claim adjustment expenses attributable to insured events of prior years	<u>(314,689)</u>	<u>(102,756)</u>
Total payments	<u>(348,928)</u>	<u>(115,160)</u>
Reserve for claims – end of year	<u>\$ 1,386,406</u>	<u>\$ 826,515</u>

Required Supplementary Information

**Genesee County Self-Insured Trust Pool
Ten Year Claims Development Information**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
1. Required contribution and investment revenue:					
Earned	\$1,099,299	\$1,212,109	\$1,350,873	\$1,606,439	\$(270,921)
Ceded	<u>(802,074)</u>	<u>(804,263)</u>	<u>(762,007)</u>	<u>(654,067)</u>	<u>(402,184)</u>
Net earned	<u>\$ 297,225</u>	<u>\$ 407,846</u>	<u>\$ 588,866</u>	<u>\$ 952,372</u>	<u>\$(673,105)</u>
2. Unallocated expenses	<u>\$ 127,740</u>	<u>\$ 126,362</u>	<u>\$ 426,659</u>	<u>\$ 333,551</u>	<u>\$ 370,836</u>
3. Estimated claims and expenses, end of policy year:					
Incurred	\$ 612,698	\$ 412,669	\$ 316,364	\$ 10,424	\$ 73,944
Ceded	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incurred	<u>\$ 612,698</u>	<u>\$ 412,669</u>	<u>\$ 316,364</u>	<u>\$ 10,424</u>	<u>\$ 73,944</u>
4. Net paid (cumulative) as of:					
End of policy year	\$ 34,239	\$ 12,404	\$ 1,692	\$ 2,667	\$ 4,504
One year later	-	67,674	38,872	5,409	26,716
Two years later	-	-	120,279	21,700	43,105
Three years later	-	-	-	147,993	48,316
Four years later	-	-	-	-	48,316
Five years later	-	-	-	-	-
Six years later	-	-	-	-	-
Seven years later	-	-	-	-	-
Eight years later	-	-	-	-	-
Nine years later	-	-	-	-	-
5. Re-estimated ceded claims and expenses	-	-	-	-	-
6. Re-estimated net incurred claims and expenses:					
End of policy year	612,698	412,669	316,364	10,424	73,944
One year later	-	376,431	239,474	203,637	73,981
Two years later	-	-	440,184	87,072	102,279
Three years later	-	-	-	234,891	55,778
Four years later	-	-	-	-	48,316
Five years later	-	-	-	-	-
Six years later	-	-	-	-	-
Seven years later	-	-	-	-	-
Eight years later	-	-	-	-	-
Nine years later	-	-	-	-	-
7. Increase (decrease) in estimated net incurred claims and expenses from end of policy year	-	(36,238)	123,820	224,467	(25,628)

Note – Combined realized and unrealized investment losses amount to \$1,004,772 and \$827,532 for 2002 and 2001, respectively, causing earned revenues to be negative.

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ (8,544)	\$1,724,157	\$1,196,596	\$1,093,124	\$1,043,090
(291,232)	(256,412)	(396,569)	(342,907)	(626,447)
<u>\$(299,776)</u>	<u>\$1,467,745</u>	<u>\$ 800,027</u>	<u>\$ 750,217</u>	<u>\$ 416,643</u>
<u>\$ 873,183</u>	<u>\$ 685,231</u>	<u>\$ 491,090</u>	<u>\$ 496,951</u>	<u>\$ 455,541</u>

\$ 142,512	\$ 310,649	\$ 143,500	\$ 41,032	\$ 43,990
-	-	-	-	-
<u>\$ 142,512</u>	<u>\$ 310,649</u>	<u>\$ 143,500</u>	<u>\$ 41,032</u>	<u>\$ 43,990</u>

\$ 4,665	\$ 649	\$ 29,430	\$ 3,825	\$ 14,258
66,247	163,114	226,143	167,950	36,180
186,889	282,494	385,688	254,269	129,173
240,422	451,056	488,396	293,118	273,951
278,583	502,433	548,989	302,699	296,050
283,274	503,405	566,982	310,484	294,491
-	526,396	571,923	310,484	689,756
-	-	571,990	310,484	689,756
-	-	-	310,484	689,756
-	-	-	-	689,756
-	-	-	-	-

142,512	310,649	143,500	41,032	43,990
175,784	451,192	390,836	331,925	69,913
252,447	493,037	488,717	302,950	249,194
295,595	578,937	588,046	364,448	294,421
334,722	502,433	617,139	310,406	411,679
334,996	556,501	641,542	310,484	356,392
-	526,396	615,502	310,484	689,756
-	-	612,655	310,484	689,756
-	-	-	310,484	689,756
-	-	-	-	689,756

192,484	215,747	469,155	269,452	645,766
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Genesee County Self-Insured Trust Pool
Reconciliation of Claims Liabilities by Type of Contract
September 30, 2006 and 2005

Note: The information presented represents the only type of claim covered by the Pool, which is general liability, law enforcement, incidental medical malpractice, and public officials' errors and omissions.

	<u>2006</u>	<u>2005</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	<u>\$ 826,515</u>	<u>\$ 701,807</u>
Incurring expenses and claim adjustment expenses:		
Provision for insured events of current fiscal year	612,698	412,669
Increase (decrease) in provision for insured events of prior fiscal years	<u>296,121</u>	<u>(172,801)</u>
Total incurred claims and claim adjustment expenses	<u>908,819</u>	<u>239,868</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of current fiscal year	(34,239)	(12,404)
Claims and claim adjustment expenses attributable to insured events of prior fiscal year	<u>(314,689)</u>	<u>(102,756)</u>
Total payments	<u>(348,928)</u>	<u>(115,160)</u>
Total unpaid claims and claim adjustment expenses at end of fiscal year	<u><u>\$1,386,406</u></u>	<u><u>\$ 826,515</u></u>

Genesee County Self-Insured Trust Pool
Schedule of Principal Assets
September 30, 2006

		<u>Carrying Value</u> <u>Market Value</u>
<u>Short-Term Investments</u>		
MONEY MARKET FUNDS		\$ 299,095
Total		<u>299,095</u>
<u>Commercial Paper</u>		
250,000	DAIMLER CHRYSLER NA DCP 5.29% 10/30/06	248,820
250,000	GE CAPITAL CORP DCP 5.16% 10/30/06	248,849
Total		<u>-</u>
		<u>497,669</u>
<u>Corporate Bonds</u>		
150,000	AVERY DENNISON MTN 6.53% 10/09/07	150,824
175,000	CLEAR CHANNEL COMMUNICATIONS 4.5% 01/15/10	168,131
150,000	COCA COLA BOTTLING CO 6.375% 05/01/09	154,029
150,000	COMCAST CABLE COMM 6.75% 01/30/11	157,587
200,000	COMERICA INC 4.8% 05/01/15	188,818
175,000	DONNELLEY & SONS 4.95% 4/1/014	157,474
175,000	GENERAL ELECTRIC CAP CORP 5.45% 1/15/013	177,137
150,000	JP MORGAN MTN VAR 5.53% 6/28/09	146,098
75,000	LEHMAN BROTHERS HLDG VAR 5.23% 9/28/07	74,532
150,000	LEHMAN BROTHERS INC 6.625% 2/15/08	152,484
125,000	MASCO CORP 5.875% 7/15/12	124,575
175,000	SLM CORP 5% 10/01/13	170,362
Total		<u>1,822,051</u>
<u>Common Stock</u>		
1,400	3M COMPANY	104,188
1,600	AMERICAN EXPRESS	89,728
1,800	AMERICAN INTL GROUP	119,268
2,300	AMGEN	164,519
2,200	ANADARKO PETE CO	96,426
2,200	BAKER HUGHES	150,040
1,600	BECTON DICKINSON	113,072
4,550	BEST BUY CO INC	243,698
3,350	BJ SERVICES	100,936

**Genesee County Self-Insured Trust Pool
Schedule of Principal Assets - (Continued)
September 30, 2006**

		<u>Carrying Value</u> <u>Market Value</u>
<u>Common Stock - (continued)</u>		
2,400	BOEING CO	189,240
1,300	BURLINGTON NORTH SANTA FE	95,472
2,300	CARDINAL HEALTH	151,202
1,700	DEVON ENERGY	107,355
4,200	FIRST DATA	176,400
2,600	FLUOR CORP	199,914
2,675	GENERAL ELECTRIC CORP	94,427
1,600	GLOBAL SANTE FE CORP	79,984
1,600	GRAINGER WW INC	107,232
7,000	HALLIBURTON CO	199,150
4,225	HILTON HOTELS CORP	117,666
3,400	MARRIOTT INTL INC	131,376
3,700	MONSANTO CO	173,937
1,700	NATIONAL-OILWELL INC	99,535
1,500	PEPSICO	97,890
2,400	PHARMECEUTICAL PROD DEV	85,656
2,800	PRAXAIR	165,648
1,800	PRECISION CASTPARTS CORP	113,688
2,000	ROCKWELL AUTOMATION INC	116,200
2,200	SLM CORP	114,356
2,650	STATE STREET CORP	165,360
3,000	T ROWE PRICE GROUP	143,550
2,000	WAL MART STORES	98,640
3,000	WALGREEN	133,170
Total		<u>4,338,923</u>
Total Principal assets		<u><u>\$ 6,957,738</u></u>